

Our Vision is to create prosperity for all Austin citizens, for all businesses and entrepreneurs, and for all neighborhoods and communities.

The economic plan calls for connecting Austin's local economy to a national and global framework in a manner conducive for innovation, connectivity, productivity and the emergence of commercial enterprises.

We must unlock the innovative potential in the community.

Resetting the Intelligence Economy

The 21st Century Austin
Strategic Economic Plan

City of Austin
Economic Development Department

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APPENDICES

PARTNERS

The Economic Development Department, is seeking collaboration in the 2015 proposed Austin Strategic Economic Development Plan. It is essential that our current and also new partners participate in the design and implementation. The action plan is focused on creating a climate for resilient growth, supporting local business investment and trade as well as attracting and retaining talent. The Strategic Economic Development Plan is integral and prepared in alignment with the new ten one Council Districts as well as local, region and states planning activities including Imagine Austin, Opportunity Austin 3.0, the Governor's Office of Economic Development Texas Strategic Plan, Capital Area Metropolitan Planning Organization (CAMPO) and the Capital Area Council of Governments (CAPCOG) regional economic growth strategy. The Action Plan emerges from the citizens and businesses of Austin and is based on thousands of hours of data based research, consultation and input from business leaders and stakeholders of all demographics.

The City commitment to addressing within its fiscal capacity, the goals, gaps and opportunities presented in Austin is strong. Presented with the continued and extraordinary economic growth the City is experiencing, we HAVE the ability to transform poverty into prosperity. The best practices being developed or utilized in this plan are public-private partnerships, an area where we excel. We plan to design future best practices with citizen input to capitalize on emerging trends to improve the business climate, to enhance global trade, and to support existing family and small businesses. New and strengthened partnerships will help Austin grow intelligently and frugally, and most importantly, give the children of Austin the skills to be the nation's next generation of technology and business leaders in the future. These are keys to success. Continuous and ongoing new information is critical to our success and to implementation of city planning policies.

This document highlights commitments that are transforming the local economy. With numerous partners and policy leaders we recognize this effort is on the shoulders of many citizens, government policy makers and local businesses.

The Strategic Economic Plan provides local, regional, state, national and international actions, measures and outcomes for how the Economic Development Department will work with public and private partners. Opportunities exist to enhance local economic performance in both local and global public-private sector scenarios through a variety of business-supported programs.

The foundation of the strategy is built on innovation, equity, middle income family needs, helping the hard to employ move forward, and creating good jobs. For those in poverty this means strategic initiatives to recruit in the distribution and manufacturing sectors, citywide business redevelopment and a small business strategy that provide good jobs within walking distance to housing. The architecture of the strategic economic plan includes recommendations on innovation which may account for as much as 65% of city growth, entrepreneurship, new technology, and the fresh economic clusters in life science, biotech, space, food, and fashion.

PARTNERS

FEDERAL

U.S. Department of Housing and Urban Development and support for The Family Business Loan Program and Sustainable Places Grant

U.S. Department of Commerce and the Austin Regional Manufacturing Association

U.S. Department of Transportation and the Sustainable Places Project

Economic Development Administration and support for the {re}Manufacturing Hub

Smithsonian Institution (in partnership with the Austin Parks and Recreation Department)

National Endowment for the Arts

ArtPlace America

STATE OF TEXAS

Texas Governor's Office: Texas Enterprise Fund, Enterprise Zone, Small Business, Major Events and International Business

State of Texas Department of Agriculture: Trade Missions

Texas Film Commission

Texas Music Office

Texas Commission on the Arts

METRO AND MUNICIPAL AGENCIES

Capital Area Council of Governments on Regional Economic Projects and ESP Tool

Capital Metro Transit

Community Advancement Network (CAN)

City of Austin Departments: Planning and Development Review, Public Works, Capital Planning Office, Neighborhood Housing and Community Development, Health and Human Services, Office of Sustainability, Law, Finance, Austin Center for Events (ACE) – Police, Fire Emergency Medical Services, Transportation, Watershed Protection, Austin Resource Recovery, Communications and Public Information Office, Aviation Department, Parks and Recreation Department, Austin Convention Center Department, Austin Energy, Austin Public Library

INTERNATIONAL PARTNERS

Republic of Mexico, Mexico-U.S. Entrepreneurship and Innovation Council (MUSEIC), Mexico City and City of Monterrey

United Kingdom Trade & Investment

Burrough of Hackney U.K. Council

Consulate-General of Mexico

Consulate-General of the Republic of Ireland

Austin-Toronto Music City Alliance

120 Consular Operations, Visits and Trade Missions

International Association of Science Parks

International Economic Development Council

International Association of Science Parks and Areas of Innovation

International Sister City Association and 13 Sister Cities

Oslo Norway Science City Affiliation

Lulea Sweden and Science Park Affiliation

San Paolo Brazil and Science Park Affiliations

United Nations Educational, Scientific, and Cultural Organization (UNESCO)

AUSTIN BUSINESS AND WORKFORCE ASSOCIATIONS

Austin Gay and Lesbian Chamber of Commerce

Austin Independent Business Alliance

Austin Independent Radio

Downtown Austin Alliance

Capital IDEA Good

Music Club

Greater Austin Chamber of Commerce and Opportunity, Austin 3.0

Greater Austin Asian Chamber of Commerce

Greater Austin Black Chamber of Commerce Greater

Austin Hispanic Chamber of Commerce SXSW

Skillpoint Alliance

The House of Songs

Workforce Solutions Capital Area

EDUCATION INSTITUTIONS

University of Texas at Austin

Austin Community College

St. Edward's University

Texas State University

Hackney Community College

Austin Independent School District

FINANCIAL ORGANIZATIONS

Central Texas Angel Network

Family Business Loan Partners, ABC Bank, University Credit Union

SOCIAL NOT FOR PROFITS

Austin Music Foundation

Asian Austin Resource Center

Capitol View Arts

Dub Academy

Easter Seals E3 Alliance

Goodwill Industries

HOPE Farmers Market

United Way for Greater Austin

Leadership Austin

STEM Workforce Council

Austin Creative Alliance

MINDPop

PUBLIC IMPROVEMENT AND TAX INCREMENTAL FINANCE DISTRICTS

Mueller

Downtown Public Improvement Districts

Seaholm District

PUBLIC IMPROVEMENT AND TAX INCREMENTAL FINANCE DISTRICTS

Individual Creatives

Nonprofit Arts and Culture Organizations

For Profit Creative Industries

ACHIEVEMENT AND AWARDS

Maintaining the Competitive Advantage

The city Economic Development Department will continue to use its unique and exceptional creative teams: cultural arts, redevelopment, global business, music and, small business divisions to enhance the city's quality. Capitalizing on the talent that has produced national and international recognitions, the Strategic Economic Plan launch will work hard to replicate these and other best practices for the betterment of all Austin.

2015 American Planning Association and Secretary of HUD Opportunity Empowerment Award for Mueller Redevelopment

2013 Gold Award for Best Response to Globalization for a Major City Worldwide

2013 IEDC Gold Award for Best Promotional Campaign for Local Business for a Major City

2012 Gold Award Best Public Private Partnership for Redevelopment for a Major City Worldwide

2011 IEDC Gold Award for Best Small Business Strategy for IBIZ Business Districts in partnership with the Austin Independent Business Alliance for a Major City

2010 The Harvard Ash Government Award for the Small Business "Meet the Lender" Business information event

2016 Three public artworks commissioned by the Art in Public Places program named to the Americans for the Arts Public Art Network "Year in Review" of best public art in the country

Building on these best practices will insure risk aversion strategies that create a stronger return on investment. The strategic plan envisions a high performing economy that successfully leverages private investment to implement economic development with minimal city dollars, while incrementally expanding the city's global profile and its momentum as a science city.

The Envision Tomorrow analytic tool will be useful in choosing smart economic growth scenarios by eliminating economic blind spots, to the benefit of the entire city, beginning in 2015 with the implementation of the Merchants Challenge initiative.

Global competition and its trade and export influences are being carefully addressed in this strategic plan. Over 125 international delegations visit the City annually, and the 13 Sister Cities and Science City IASP collaborations will continue to generate measurable economic benefits, minority friendships and safe harbors for Austinites in the competitive global marketplace. Our own "trade revenue" has grown to approximately \$10 billion, with the prospect of continual increases. With the State of Texas Trade numbers at \$200 billion there is ample opportunities for Austin and the Central Texas Region to grow this sector exponentially.

Among our talented assets are immigrants. 18.1% of Austinites are foreign born and 24% are leaders in the creation of new companies. In the Hispanic community alone a recent study forecast 51,000 Hispanic businesses in the region by 2020. Our International Economic Strategy recognizes and capitalizes on these opportunities by laying the groundwork to make business inroads into the economies of Mexico, Canada, United Kingdom, Spain, Brazil, Russia, India, China, and South Africa (BRICS) as well as the 35 ethnic business communities represented by our Asian, Black and Hispanic Chambers of Commerce. The objective is for our businesses to become multinational and hire local, especially within the ranks of the existing under and unemployed populations here today.

Austin uses our broad cultural diversity as an economic strength, locally and internationally. Locally and nationally this has generated awards and recognitions for professional activities. Going hand in hand with this activity is a trade effort. Internationally we have also generated an ongoing global initiative called CitiStart (Cities for Innovation, Trade, and Investment in Science, Technology and the ARTs).

Diversity of the community as well as the diversity of the economy is critical to our future economic stability. Locally the diverse culture of Hispanic, Black and Asian American families give beauty, art, food, tourism and perspectives to share in the Austin Economy. Through the Economic Development Department's formal relationships with Asian, Black, Hispanic Chambers of Commerce, the department is three years into a global trade and investment strategy that harnesses the business connections, language and capabilities of their diaspora. Existing contracts include mutually agreed performance provisions to establish soft landing zones and foreign direct investment in selected cities worldwide.

Spanish speaking business leaders are maintaining a competitive advantage for Austin to Spanish speaking cities especially Monterrey, Guadalajara Mexico and Malaga, Spain science parks. Asian Chambers of Commerce business leaders are generating soft landing zones for local businesses overseas, university connections and foreign direct investment to identified Asian cities especially the technology parks in sister cities in Taiwan and Japan.

The Black Chamber of Commerce has relationships with metropolitan San Paulo Brazils' Technology Park (San Paulo has the largest black population in South America) as well as South African technology parks in Johannesburg and Pretoria.

Asian Chamber relationships with the diaspora of 20 nations are an exciting opportunity for Austin. The Greater Austin Asian Chamber of Commerce is reaching businesses and governments in China, Singapore and Malaysia. These partnerships are building global market places that will enable Austin businesses to become multinational.

The cultural economic strategy builds on the current assets of thirteen "sister city" relationships with Austin, and the expanded role of the International Association of Science Parks and Areas of Innovation. These cities and science parks agree on a creed of mutual goals: working towards direct flights to Austin, the rule of law, soft landing pads for each country's businesses to land and invest, the education of students in poverty in the technology of their respective scientific companies, and the mutual support for sister city and City of Austin economic, music and cultural values and objectives. The current relationships among CitiStart were selected to focus on market places Asia, Mexico, Brazil, Europe and Scandinavia Austin global partners are shown below beginning with our first science city:

Hackney, United Kingdom – Tech City/Here East and Sister City – direct flights to London is achieved, partnerships between Hackney Community College and ACC are achieved, Capital Factory and Here East soft landing pads for each other companies have been negotiated. Multiple companies from both areas have expanded.

Sao Paulo, Brazil – Parque Tecnologica – Austin Black Chamber of Commerce MOU

Monterrey, Mexico – Parque de Investigacion e Innovacion Tecnologica – has a MOU with University of Texas. Pro Mexico the federal agency charged with creative industry collaboration across borders funding the September 2014 Bonus initiative to bring futurists and technology leaders to Austin

Malaga, Spain – Parque Tecnologica de Andalucia – Hispanic Chamber of Commerce – MOU signed with focus on life sciences, energy and gaming companies

Quebec, Canada – Quebec Science Park – President of North American Division of IASP; arranged for the North American Science Parks to convene in Austin in 2013

Angers, France – Technopole Science Park - Sister City and formal partnership with St. Edwards; created the French Chamber of Commerce in Austin

Singapore – Singapore Science Park and National Economic Development Department – Greater Austin Asian and Greater Austin Chambers of Commerce;

Taichung, Taiwan – Central Taiwan Science Park: Sister City of 20 years; Greater Austin Asian Chamber of Commerce

Lulea, Sweden – Aurorum Science Park; Letter of Intent signed by officials of both Austin and Lulea.

Oslo, Norway – Lillestrom Science Park; Letter of Intent signed by officials of both Austin and Oslo. Exchange to Austin planned for 2015 SXSW.

Internationally our cultural diversity is an economic advantage to Austin, giving local businesses entries into foreign countries worldwide where their knowledge of language, customs, laws and their personal and family contacts - give Austin a competitive advantage in the growing trade and global marketplaces.

A major accomplishment which is enabling the city to build on global trade opportunities was the launch of the Circuit of the Americas \$400 million Formula One operations for the United States in 2013. The global event is in its third year of operation. This was a key economic investment which has led to direct flights to the United Kingdom and nearly \$200 million of earned international press. The growing relationship between the UK and Austin has speeded up the technology, cultural and educational agreements and business transfers between business and governments and London's Hackney Borough (Tech City) in the East End of the City, and provided a gateway to Europe and Scandinavia. The Formula 1 Event spearheaded business and sister city partnerships to the UK, which now serve as the model for the transformation of our sister cities to science cities.

Challenges persist in creating economic opportunities for first generation immigrants however. Conclusions from the preliminary international findings suggest that there is a need to "raise the skills bar" at all levels – universities, colleges, trade schools, high schools and on-the-job training for children of immigrants. According to the E3 Alliance, only one in ten children of immigrant families now graduates from college. (<http://e3alliance.org/category/topic/blueprint-for-educational-change/>)

While about 20% of Austin's resident population were born outside of the United States. 25% of new companies and entrepreneurs, no surprise, come from the fresh interest of first generation immigrants to Austin. Immigration will continue to play a major role in ensuring replenishment of the entrepreneurial business creation sector as well as a continuing labor supply.

Austin has a special relationship with other Countries where our trade numbers are strong and growing. These are the UK and Ireland, Canada, and our largest trading partner, Mexico. Recognizing that Mexico and Ireland Consulates in Austin offer the city gateway opportunities to the European Union and Central American we are building our Science and Sister City relationships to generate business partnerships throughout the world.

Environmental Economic Issues and Opportunities

Protecting the environment, energy and water are the lead eco-economic issues in Central Texas. With continuing drought, rapid population growth, the city has a laser focus on improved sustainability, conservation, and innovative energy resources. The City and Austin Energy are effectively moving towards a goal of energy independence. Without a diverse and well balanced green environment the economy will suffer. The Strategic Plan reiterates EDD's support for the recruitment and growth of the recycling industry, clean industries and angel investors who will invest in green and environmentally smart technology. A national success in sustainable development planning is Mueller, a 700-acre master planned community recycled from the old airport. With 3,000 residents and 2,000 jobs, the energy efficient Mueller has the largest concentration of electric vehicles, and is home to the Pecan Street Project, national template for energy data measurements. Environmental issues serve as the basis of resiliency in all economic development master development agreements carrying weight and consideration in our return on investment models.

Workforce Economic Issues and Opportunities

There continues to be a lack of talent for the well-paying new science technology, engineering jobs that are being created in Austin. It was estimated by the Austin Technology Council whose membership is approximately 200 high technology companies, that in the next upcoming three years (2015 – 2017 period) 9,000 new tech jobs will be created. The Council cites lack of talent to fill those jobs as a major obstacle to expansion. The plan examines new mechanisms to generate interest, incentivize, educate and fast track talent with our educational and business partners--.*

Small Business Issues and Opportunities

There are at approximately 34,000 small businesses in Austin. These businesses form the backbone of the local economy, creating new jobs, and selling local products that are propelling the uniqueness and family run character of the Austin economy. Foodie entrepreneurship in Austin has produced 1,600 food carts and a globally recognized food industry sector led by home grown talent, Whole Foods.

The plan seeks to implement recommendations in the \$4.6 million creative economy and \$1.6 billion music economy. The local Food Economy Study showed that \$4 billion in that economic sector has potential for expansion. The Creative Content Incentive, Micro Loan and the Music Venue Assistance Program and Industrial Revenue Bonds are relatively new economic investment tools in the plan.

In November 2014 a music industry census was launched to determine the size and scope of the Live Music Capital of the World. The small businesses include a world class local company SXSW which contributes \$185 million to the digital, film and music events economy.

Austin is the headquarters of global companies which have grown from small businesses, including Dell Computers, Book People, Chuys, and Bazaarvoice. Strategic Planning Highlights include the Women's Entrepreneurial Panel, Getting Connected/Meet the Lender, Governors Small Business Forum, Small Business Annual Summit and the Biz Aid teaching series which provides professional technical assistance with support from the University of Texas and successful business leaders.

In order to guarantee their resilience the government must be constantly cognizant of opportunities to release the energy of these companies so they can thrive and take risks to hire the hard to employ, provide internships, stay active in their communities and generate additional tax revenues to support needed efforts and priorities of government.

Austin is nearly the geographic center of the 14th largest economy in the world, the State of Texas, and straddles Interstate Highway 35, which handles thousands of trucks and millions of dollars in goods every month. A supply-chain disruption in Austin would impact companies not only in Texas, but throughout the hemisphere. While the City of Austin has a respected, comprehensive program for disaster preparedness, response and recovery, significant efforts have not yet been made to integrate Austin's diverse employers, from music and performing arts, to small businesses and major employers, into a plan for the whole community's economic recovery and resiliency. Recent natural disasters, such as the Bastrop County fires and Onion Creek flood, highlighted the need to actively involve business leaders in the development of Austin's first Recovery Annex for Businesses and Critical Infrastructure. With the Office of Homeland Security and Emergency Management, EDD secured a competitive grant from the State of Texas in 2014 to help improve business' resiliency in the event of an unplanned disaster event, whether man-made, technical or a natural cause. With these funds the City with an expert consultant will provide business continuity and resiliency workshops to help businesses and nonprofits prepare for, and recover from, disaster-related interruptions to daily operations. The consultant will also recommend the most sustainable ways to involve major employers, utilities, transportation departments, banks and insurance companies in community-wide disaster preparedness, response and resiliency. The Recovery Plan for Businesses and Critical Infrastructure will be based on national best practices and focus on hazards and risks identified in Austin's Hazard Mitigation Plan and the Capital Area Council of Government's Threat and Hazard Identification and Risk Assessment, to include stresses caused by climate change.

In addition, a priority is unveiling the Ombudsman and Customer Service software to ease companies through the permitting process. Ombudsmen have been trained to facilitate hands on personal service for businesses experiencing difficulties.

In partnership with Development Services Department, new customer service software was designed to educate and map the quickest path through various permitting scenarios. The system is the first of its kind in the United States. The Small Business Education Tool was created from local firm with global outreach in private sector customer service Bazaarvoice. Using technology in place for clients such as Adidas and Office Depot, the software creates "Frequently asked questions" and answers to automatically educate and inform businesses out to navigate the process efficiently. Questions such as: "Are you converting a gas station to a restaurant, are you converting a home to a retail use and similar questions will help staff and the businesses

transition the process more quickly. Levels 2 and 3 are being developed after the launch of “Frequently Asked Questions,” and will use data and feedback from local businesses that provides “Rotten Tomatoes” like rating of their experience, while Level 3 will be a listing of local companies who can provide services related to the permitting and development process.

Micro lending is a new initiative from the Family Business Loan Program and the new Loan Office. Adding micro lending at a minimum will allow very small companies to expand rapidly. The program was launched several months ago but will have a goal of reaching several hundred innovators over the next five years. The dollars are federal. Staffing is supported by the Small Business Program (SBP) at the Entrepreneur Center.

The Music Venue Assistance Program is a micro loan initiative developed by the Music & Entertainment Division in partnership with the staffing of the SBP. This innovative low-interest loan program was created to address sound issues and reduce complaints related to the impact of amplified sound in mixed residential/retail neighborhoods and in the downtown area, and to support our valuable music industry. The Division conducted extensive research into the source, path and receiving areas of music and sound continuum, and piloted the program with two case studies at Cedar Street Courtyard and Black Heart Bar. Based on the success of the case studies, the Division developed the Music Venue Assistance Program to offer micro loans up to \$35,000 per business to acquire sound mitigation technologies, retrofit and reconfigure music to contain its’ export. The program has already proved to be a win-win solution for neighborhoods and venues alike, creating high-quality listening experiences for music patrons, while simultaneously providing significant reduction of sound bleed in residential areas. Four loans have been made to date including Stubbs, Cheer up Charlie’s, One-2-One Bar, and Uncle Billy’s. The Division is expanding the initiative citywide as part of the department strategy to offer music in all commercial areas of the city.

Austin is in the Central Texas region and the hub of a 20 million population that is bounded by Dallas, Houston and San Antonio. It is consistently ranked in the top 10 cities of every American economic and quality of life national and international indicator. It has attracted \$13 billion in foreign direct investment and sits astride our contemporary silk trade route called the NAFTA corridor (I-35). In 2015 we hope the Texas Wall Street concept, developed in 2011 will finally take root. In 2010 and 2011 we assemble a Global Commerce Task Force and met with leading thinkers, venture capitalists, investors, corporate lenders and international finance experts to lay the foundation for an Austin International Finance District aka the Texas Wall Street and outlined the 5th Street business vicinity with its approximately 60 investment firms as a good location for an Austin Finance District. The economics of attracting national and international trade, stock exchanges, sovereign funds, mergers and acquisition and wealth management companies to a financial district in Austin is timed well for implementation.

Since the loss of 45,000 jobs in the “Dot.Com bust” Austin has matured and diversified the Economy, creating the nontraditional Economic Development Department structure which is a fusion of Culture Arts, Music, Redevelopment, Global Business Expansion, and Small Business, whose combined strengths enable the City of Austin to create opportunities, strengthen collaborative partnerships and maximize the impact on societal issues. Today we have the opportunity to harness unparalleled prosperity to further our strategic economic goals; challenges preserver: poverty, urban regeneration, rising housing costs, overtaxed infrastructure and fostering growth in emerging technology sectors and the creative Industries. To succeed we will all have to work together. Austin stakeholders need consensus among citizenry, business, and a plethora of stakeholders to become leaders in technologies, manufacturing, digital media, film, supercomputers, food, and gaming and to prevent unemployment before it happens. We need guidance and feedback from experts, and from those closest to the problems we face.

Underway now are efforts to identify best practices and anchors to rapidly infuse local talent in care giving, life science and biotech associated with the new University of Texas Medical School, Seton Teaching Hospital and the downtown Austin Innovation Zone. How to transition this area from government parking garages and lots is a task as difficult as transforming 2nd Street into the destination it is today. Innovation and city planning are still challenges for the future.

Since 2010 Austin has expanded world class businesses to anchors technology clusters in Austin. These include Apple, Facebook, EBay, Legal Zoom, Hanger Orthopedic, VISA, National Instruments, Samsung, U.S. Farathane, HID Global and Athena Health

among others. As the landscape continues to change in America Austin's economic vision must adapt and reconcile that change with ambitious new local strategies. Focusing on life science industry group, and perhaps space and defense industries and the manufacturing and logistics sectors, identified earlier, are critically important strategies that will emerge over the next five years. Just as Small business growth has exploded as Austin retained its #1 ranking in 2014, so our goals include the continued diversification and opportunity making that is essential to the rapidly approaching future of Austin.

As we move forward in the implementation of the Strategic Economic Plan we are committed to developing new measurable performance outcomes beyond the traditional economic development benchmarks. The fusion of art, culture, music, redevelopment, trade and small business means a future of creativity and prosperity – when the prosperity that we are experienced is harnessed and carefully leveraged.

These baker's dozen benchmarks are under consideration as critical to our performance based economic development strategy. Measuring our government initiated achievements requires a fresh look at elements of Imagine Austin successful.

- 1. Number of jobs directly created*
- 2. Number of jobs created for the hard to employ population*
- 3. Number of youth engaged in science, technology, engineering and math education with local technology companies*
- 4. Measure the creative industry expansion from 2010 – 2015 in taxes, jobs and GDP*
- 5. Measure the music and arts tourism impact*
- 6. Number of Merchant Associations assisted citywide and their impact in jobs, taxes*
- 7. Number of "best practices" generated by Economic Development*
- 8. Acreage and square footage of redevelopment through direct economic development assistance*
- 9. Dollar amount of low-interest business loans made, including micro loans, music venue loans, downtown loans, family business loans and industrial revenue bonds*
- 10. Number of new companies from our UT incubator and Innovation Zone investments*
- 11. Number of foreign cities joining our friendship, sister city, science city network*
- 12. Foreign Direct Investment*
- 13. Number of businesses participating in Small Business Program services*

RESEARCH AND SOURCES

The Strategic Economic Plan utilizes best practices and lessons learned globally from the International Economic Development Council, ULI, CDIF, NLC, IASP, the American Planning Association and, uses additional research from studies and plans of Toronto, Vancouver, New Orleans and New York City. Although our plan considers global and national lessons learned, at its foundation the Austin Plan seeks to create its' own best practices. The plan envisions continuous ongoing research to move the business continuum forward and towards additional prosperity. The success of the Plan is dependent upon both government and public-private partnerships with all stakeholders, including the regional municipalities and local governments, our close relationship with Travis County, the State of Texas and federal agencies, and most importantly with local citizens and businesses. The strategic plan recognizes the valuable role of industry associations, labor, educational institutions, and community-based workforce trainers. In the global marketplace we certainly acknowledge the increasing role of the Asian, Black, Hispanic Chambers of Commerce, the Austin Gay & Lesbian Chamber of Commerce, the Greater Austin Chamber of Commerce, the Sister City International Program, International Association of Science Parks and Areas of Innovation, the US Department of Commerce and Select USA project and the Governors' Texas One Initiative.

Studies that support our data driven strategic economic plan involved extensive consultation including public and private sector research on wide ranging issues:

- *2010, 2000, U.S. Census Data: U.S. Department of Labor.*
- *The Demographic Impact of the 10 / 1 Council District system on minorities and unemployment by the City Demographer 2014*
- *The Economic Impact of the Creative Sector in Austin – a 2012 Update comparing the creative economy growth during the Recession 2005 and 2010 by TXP Associates.*
- *The Economic Impact of the Sustainable Food Economy - 2013 evaluating best practices in Seattle and Portland by TXP Associates.*

The Great Reset: How the Post-Crash Economy Will Change the Way We Live and Work Paperback, Dr. Richard Florida

- *Inland Port Analysis of the potential for distribution and manufacturing companies to locate in Austin along Interstate – 35 highways: A global supply chain analysis on the NAFTA Corridor for Austin - 2012 by Texas A & M, Global Supply Chain Management Institute.*
- *The ESP (economic supercomputer platform) economic analytic tool: Development of Best Practice to eliminate the economic blindside of major government investments: resulted in the federally funded \$3.6 million Sustainable Places Envision Tomorrow software 2011 -2014 - used on 4 local cities and the urban rail project by University of Texas, TACC, CAPCOG.*
- *The Fashion Industry Study: An evaluation of the potential for local fashion industry growth – on going 2014 by TXP Associates.*
- *The Evaluation of Economic Incentives nationally and locally; including investigations on bonuses and exceptions and a Return on Investment (ROI) review for the Austin based 380 agreements – 2013 Annual Report.*
- *The National Evaluation of Incentive Agreements based upon Transparency best practices - prepared by Good Jobs First in 2013 resulted in a score of 100% Transparent.*
- *A review of National Incentives and Workforce Hiring Best Practices for Local Hiring – 2012, Austin Economic Development Department.*
- *A review of National Evaluations of Incentives Prohibiting Tax Appeals – 2014, Austin Economic Development Department.*
- *A National Competition for creative place making best practices – 2014 – received \$665,000 funding for creating best practices for forming an Art Village on the tank farm brownfield site, and a citywide cultural asset mapping for enhanced commercial regeneration: Cultural Art Division Economic Development Department mapping study.*
- *Study of Best Public Improvement Districts (PID) for Merchant Associations - Small Business Program, Economic Development Department Report 2014 – evaluated five PID structures nationwide*

- *Study of Best Ombudsman and Customer Service strategies for permitting – 2014 – Bazaarvoice Austin Based Global Customer Service Company designed system for DSD.*
- *2014 Small Business Needs Assessment – the third small business needs assessment conducted by the City of Austin which gathered input from Austin small business owners to provide insight into their current development needs. These studies serve as a roadmap for developing and delivering effective development services for small businesses in Austin.*
- *Best Practices for Creating Merchants Associations and Urban regeneration - 2014 – Studied five national models for city initiated challenges to businesses and resulting services provided: Redevelopment Division Study.*
- *2016 Building Austin's Creative Capacity needs assessment of local artists and arts organizations*
- *2010 Create Austin community cultural plan*

The Economic Development Department staff has been guided in these data driven studies through recommendations from Mayor and City Council and stakeholders for the past five years 2010 – 2015. Policy direction continues in the rapidly growth areas of economic place making, creative industries, small business, cultural arts, music, redevelopment, workforce training and equity assurance strategies.

For example, the Small Business Program conducts needs assessment studies every 3 to 5 years to gather input from small business owners on their development needs, and continually conducts surveys to monitor customer satisfaction with its services.

These lessons learned are tested and incorporated as best practice tools in the economic development department toolkit.

Research continues: The Foundation for 2015 – 2020 and Beyond

The 2010 – 2015 recovery periods is built on new and expanding global technology companies Samsung, Apple, Facebook, eBay, Visa, athenahealth, IBM, Dell, Google, NI, IBM, the creative economies, and, to a resurgent special event economy anchored by SXSW, ACL and the Circuit of The Americas and Formula 1 related tourist events. The University of Texas is expanding new Cybersecurity and Engineering Institutes, TACC and creative business initiatives such as the new Space Commercialization MBA. In addition, redevelopment is lighting up the city with \$1 billion construction underway at the *Seaholm* District, the redevelopment of the former Austin airport “*Mueller*” Urban Village, rapid build out of the *Domain* mixed use complex, and new investments in the emerging University of Texas medical school, complemented by development of a state of the art Seton Health Care Teaching Hospital. The *Dell Medical School* is the first medical school built at a major U.S research university in decades. The existing opportunities for economic development from these investments, especially including the new emphasis on life sciences and medicine and planned *Innovation Zone*, offer Austin an unusual opportunity and immediate time frame to design and implement poverty elimination strategies. While our economic strategy will continue to encourage broad job creation and continued improvements to quality of life for all income populations, a strong focus will be on the financial benefits of poverty elimination.

Today, the City of Austin Population is approximately 885,000. The increase continues a trend going back over 100 years. A new trend however is the increase in poverty, which has unexpectedly followed the increased prosperity of the 2010 – 2015 as the city rebounded from the great recession. The current approximate 17.8% poverty rate translates into about 157,530 people. The number of children in poverty is an estimated 40,000 and a major concern both for current conditions, future growth, and social service delivery costs and, also for missed human capital and economic opportunities. According to a poverty measurement from the Austin Independent School District, approximately 60% of children currently enrolled in K -12 classes have subsidized lunches provided through the Title 1 federal funding initiative.

Affordability is an issue where economic development can be helpful. The strategic economic plan focuses on urban regeneration, public-private partnerships and addressing poverty through programs and services citywide. The city focus on affordable housing to address those in poverty has been at the forefront of the commitment to address the growing low-income population. The Affordable Housing Trust Fund received voter approval of a \$65 million bond in 2013. In addition there are extensive efforts led by the City Economic Development, Finance and Law Departments, which negotiate private sector commitments to the Affordable Housing Trust Fund. In the *Seaholm* District, on the sale of redevelopment property,

Economic Development delivered an estimated \$50 million toward the Affordable Housing Trust Fund over the next twenty years. In addition, 25% of the planned 3,500 housing units at The Mueller Airport Redevelopment will be delivered as affordable units through the Affordable Housing Trust Fund.

The strategic economic plan seeks to increase the privately financed supply of affordable housing in three ways, more and better paying jobs, additional contributions to the Trust Fund, and through the live work, citywide commercial regeneration program. The *Merchant's Challenge*, which invites businesses citywide to form local merchant associations, to collaborate on area renovations and infrastructure efforts, support existing city-wide and neighborhood plans, to support the creation of new jobs, and build a sustainable compact and connected Austin through walkable urban villages like Mueller and Seaholm. The return on investment will be measured using the Envision Tomorrow software that will calculate taxes, jobs, reduced need for car usage, and the collateral increased family disposable income. Increased family income contributes to purchasing power.

2010 statistics indicate that at a minimum there are 10,000 hard to employ persons residing in Austin. It is probable these individuals do not appear on the official unemployment insurance polls. This population is a focus of the plan. Creating good paying jobs with benefits will alleviate many social welfare costs as well as contribute to the stabilization of families.

When parents with low-income employment lose their jobs and have to relocate, there is a chain reaction in displacement that carries over to the children in poverty families. Youth who relocate often from one school to another lose continuity in coursework and educational programming and take on an increased burden to graduate. With poverty and relocation, children have greater challenges to succeed. This is an issue noted in certain schools located in East Austin with high student turnover due to parent employment continuity. Within the emerging strategic economic plan we will address this through a local job creation effort known as the Merchants Challenge, where local businesses will be provided low-interest loans to expand and hire within the existing census tracts. Although only a partial solution, we anticipate the existing condition of turnover in the elementary and middle schools should be addressed directly at the source.

A combined strategy of incentivizing the expansion and recruitment of technology manufacturing and logistics companies, growing and encouraging family run small and medium-sized businesses to hire low income workers, providing support to commercial areas and corridors to create live work environs through a citywide commercial regeneration program, together, can be expected to improve prosperity for all Austinites.

Economic Development is the platform for the city focus on improving the overall business continuum from start-up to expansion, and from innovation to manufacturing. The strategic plan focuses on enhancing that continuum. By looking and improving the overall business health of Austin, including urban regeneration, helping create jobs for the hard to employ, growing existing cluster industries, technology expansion and key recruitments, customer service for small business, and commercializing art, music, culture and the creative classes, we can build and sustain a strong economic future. Our Economic Development best practices and research, metrics and global initiatives are supporting the continuous improvement to policies, regulations and entrepreneurship in Austin. Actions underway that support business growth, investment and trade are critical to our strategic plan. We look forward to feedback from the Council, Citizens, Businesses and our private, public and nonprofit partners.

By addressing challenges to the business continuum - including access to capital and breaking into competitive global markets - we find that local businesses can gain momentum and succeed. Keeping Austin companies comfortable with their base of operation in our community reinforces the commitment that our City is business savvy.

Additional Research and Sources

Development Themes: www.sed.manchester.ac.uk/planning/research/themes - Research under this theme encompasses a range of policy-related work, addressing such issues as planning systems and practice, urban policy

Global City Indicators: <http://www.cityindicators.org/themes.aspx> - The Global City Indicators Facility is structured around 20 “themes” organized into two Categories that measure a range of city services and quality of life factors.

Themes of Planning: <http://www.stuff.co.nz/the-press/opinion/perspective/5426240/Five-themes-in-the-draft-city-plan>

Eco Cities: Ecological Cities as Economic Cities – World Bank Look at New Strategies to Avert Risk
<http://www.preventionweb.net/english/professional/publications/v.php?id=11282>

America’s Top Economy (Forbes*, Kiplinger*, Brookings Reports*).

The New York City Commission for Economic Opportunity Report to Mayor Michael Bloomberg, “Increasing Opportunity and Reducing Poverty in New York City,” September 2006; Population Reference Bureau analysis of 2007 Basic Monthly

CPS: ACCRA Cost of Living Index, Third Quarter 2008, Council for Community and Economic Research. The index consists of six major categories: grocery items, housing, utilities, transportation, health care, and miscellaneous goods and services. It compares cost of living differences among urban areas based on the price of consumer goods and services appropriate for professional and managerial households in the top income quintile.

William Julius Wilson, When Work Disappears: The World of the Urban Poor, Knopf, (New York:1996), pp.37-39.

Emerging Trends in Real Estate: United States and Canada 2015: A publication from the Urban Land Institute.

Steering toward the Future: Convergence, Connectivity and creativity: The IEDC Journal October 2014.

The Coming Job War: Gallup Corporation Global Survey 2011

Texas Workforce Commission 2015 <http://www.texasworkforce.org/svcs/programs-services.html>

U.S. Bureau of Labor Statistics: 1997 and 2006 Overall CPI levels.